Approved For Release 2005/06/09 : CIA-RDP74B00415R000400020028-2

CENTRAL INTELLIGENCE AGENCY
WASHINGTON, D.C. 20505

17 November 1972

Summary Report of Investigation of Charges by Mr. Alfred W. McCoy of CIA Involvement in Illicit Drug Traffic in Southeast Asia

Basis of Investigation

On 27 June 1972, Representative Les Aspin wrote to Mr. Helms stating that he was on that day publicly releasing "substantial new evidence that indicates that U.S. pilots flying CIA-operated helicopters have been smuggling opium inside Laos" (Tab A). In his letter, Mr. Aspin said, "These allegations are contained in a letter and additional information that I have received from Mr. Alfred McCoy, author of a forthcoming book on heroin traffic in Southeast Asia," and he asked that Mr. Helms "thoroughly investigate Mr. McCoy's allegations." The "substantial new evidence" referred to above and provided by Representative Aspin to this Agency was set forth in Section IV of an undated paper accompanying Mr. McCoy's letter to Representative Aspin (Tab B).

On 28 June 1972, Mr. Helms wrote to Representative Aspin stating that a thorough investigation of the matter would be undertaken as requested (Tab C).

Scope of Investigation

This investigation, which has now been completed, included

25X1

[redacted]

Allegations and Findings

25X1

[redacted]

Approved For Release 2005/06/09 : CIA-RDP74B00415R000400020028-2

25X1

Approved For Release 2005/06/09 : CIA-RDP74B00415R000400020028-2

Next 2 Page(s) In Document Exempt

Approved For Release 2005/06/09 : CIA-RDP74B00415R000400020028-2

Approved For Release 2005/06/09 : CIA-RDP74B00415R000400020028-2

25X1

[redacted]

Conclusion

The investigation has confirmed the earlier statement of the Director of Central Intelligence that there is no truth in the allegations that the Agency or Air America in any way tolerated, supported or fostered the illicit drug traffic in Southeast Asia. Mr. McCoy's evidence has been carefully examined and it fails to substantiate his charges.

Approved For Release 2005/06/09 : CIA-RDP74B00415R000400020028-2

Approved For Release 2005/06/09 : CIA-RDP74B00415R000400020028-2

28 June 1972

The Honorable Les Aspin
House of Representatives
Washington, D. C. 20515

Dear Mr. Aspin:

The Congressional Record of June 27, 1972, carries a letter addressed to me by you announcing your release of "substantial new evidence that indicates U. S. pilots flying CIA operated helicopters have been smuggling opium inside Laos."

I have yet to receive your letter. Pending its receipt, however, I shall begin a thorough investigation of this alleged "new evidence" and will advise you in due course of the results. In this connection, I call to your attention the testimony of Mr. Nelson Gross, Senior Advisor to the Secretary of State and Coordinator for International Narcotics Matters, before the Congressional Inquiry Regarding International Narcotics Traffic on June 9, 1972. He there quoted the Air America Managing Director's statement that Mr. Alfred McCoy's allegation before the Foreign Operations Subcommittee of the Senate Appropriations Committee that Air America aircraft have been transporting opium in Northern Laos on a regular basis is "utterly and absolutely false."

In the interim, I wish to reiterate strongly what I have said publicly to the American Society of Newspaper Editors:

> "There is the arrant nonsense that the Central Intelligence Agency is somehow involved in the world drug traffic. We are not. As fathers, we are as concerned about the lives of our children and grandchildren as are all of you. As an Agency, in fact, we are heavily engaged in tracing the foreign roots of the drug traffic for the Bureau of Narcotics and Dangerous Drugs. We hope we are helping with a solution; we know we are not contributing to the problem."

Approved For Release 2005/06/09 : CIA-RDP74B00415R000400020028-2

Approved For Release 2005/06/09 : CIA-RDP74B00415R000400020028-2

In addition, you will have no doubt noticed in the Congressional Record of June 2, 1971, that Congressman Charles Gubser cited a letter from Mr. John Ingersoll, Director of the Bureau of Narcotics and Dangerous Drugs, attesting to the fact that this Agency has taken a great number of steps against the narcotics trade. Further, we have issued the strongest instructions, and have most vigorously enforced them, to prohibit any inadvertent use of CIA facilities by narcotics smugglers.

In the light of these well-established positions, we find it disappointing to be subjected to the type of public allegation represented by graduate student McCoy's assertions of 'new evidence,' the innuendo in which can only dishearten CIA personnel of honor and integrity working against this nefarious trade.

I have taken the liberty of sending a copy of this letter to Congressman Gubser because of his interest in these matters.

Sincerely,

/s/ Richard Helms

Richard Helms
Director

Distribution:
Original - Addressee (handcarried by OLC)
1 - Congressman Gubser (handcarried by OLC)
1 - DCI
1 - DDCI
1 - ExDir
1 - DD/P
1 - OGC
1 - OLC
1 - C/FE
STAT 1 - C [redacted] DDP
1 - ER

Approved For Release 2005/06/09 : CIA-RDP74B00415R000400020028-2

Approved For Release 2005/06/09 : CIA-RDP74B00415R000400020028-2

Statement Released on 2 June 1972
by Mr. Paul Velte,
Managing Director of Air America

"Mr. Alfred W. McCoy today told the Senate Foreign Operations Subcommittee of the Appropriations Committee: 'In Northern Laos, Air America aircraft and helicopters chartered by the U. S. Central Intelligence Agency and USAID have been transporting opium harvested by the Agency's tribal mercenaries on a regular basis.'

"This statement is utterly and absolutely false. Air America and USAID have cooperated in a security program which effectively prevents the carriage of drugs on any of the airline's equipment. This program is constantly being reviewed to make sure that drug smugglers cannot misuse the company's facilities. There is an intensive program of inspection of both passengers and cargo carried out in close collaboration with local and U. S. authorities. At up-country sites, inspectors inspect all baggage of passengers and crew members departing from their stations. All cargo placed aboard up-country sites is inspected by members of the inspection service. All baggage of persons departing Vientiane on Air America, Continental Air Service and Lao Air Development are inspected. Where boarding passengers refuse to submit to inspection or are found to have contraband in their possession, they are denied the right to board the aircraft and their names are turned

Approved For Release 2005/06/09 : CIA-RDP74B00415R000400020028-2

Approved For Release 2005/06/09 : CIA-RDP74B00415R000400020028-2

over to local Lao authorities. Through these and related measures, attempts by individuals to carry opium on company airplanes have been detected and prevented. These small time smugglers and users are the greatest threat and the security inspection service has constituted an effective deterrent.

"Through its many years in the Far East, Air America and its employees have been well aware of the dangers of drug use and the drug traffic. It has been the policy of the company and its many loyal employees to do everything in their power to oppose any traffic in drugs. To this end there has been close cooperation between the company and U. S. and local authorities concerned with the drug problem.

"If Mr. McCoy or any other individual can bring any proof that any Air America employee has been connected in any manner with the drug traffic, appropriate disciplinary action will be taken and the matter referred to the proper authorities."

Approved For Release 2005/06/09 : CIA-RDP74B00415R000400020028-2

Approved For Release 2005/06/09 : CIA-RDP74B00415R000400020028-2

Investigation of the Drug Situation

in Southeast Asia

September 1972

25X1

Approved For Release 2005/06/09 : CIA-RDP74B00415R000400020028-2

25X1

Approved For Release 2005/06/09 : CIA-RDP74B00415R000400020028-2

Next 27 Page(s) In Document Exempt

Approved For Release 2005/06/09 : CIA-RDP74B00415R000400020028-2